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FISCAL IMPACT REPORT

SPONSOR: Garcia, M.J. DATE TYPED: 2/25/03 HB _____
 SHORT TITLE: NMSU Graduate Assistantship Payments SB 747
 ANALYST: Williams

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|-----------|-----------------------------|------|----------------------|---------------|
| FY03 | FY04 | FY03 | FY04 | | |
| | \$2,000.0 | | | Recurring | GF |

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation for New Mexico State University in the General Appropriation Act

SOURCES OF INFORMATION

Responses Received From
 Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 747 appropriates \$2,000.0 from the general fund to the Board of Regents of New Mexico State University (NMSU) to pay the cost of health insurance and tuition for graduate assistants.

FISCAL IMPLICATIONS

The appropriation of \$2,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

The CHE reports the following:

Within CHE's Financial Aid Budget, a Graduate Scholarship Program receives a General Fund appropriation each year. The purpose of the program is to increase graduate enrollment in the state's public universities of students from groups under-represented in graduate education. Scholarships are for \$7,200 per academic year for full-time graduate students. As a condition of the scholarship, a student must serve in an unpaid internship or assistantship at an eligible institution, a government agency or private industry ap-

proved by his major department for 10 hours during the academic year. NMSU has received the following allocations:

| Academic Year | Allocation | Placements |
|---------------|------------|------------|
| 2002-03 | \$128,008 | 18 |
| 2001-02 | \$142,648 | 20 |
| 2000-01 | \$136,963 | 19 |
| 1999-00 | \$148,348 | 21 |

ADMINISTRATIVE IMPLICATIONS

The \$2,000.0 would allow NMSU to award over 278 scholarships and/or graduate assistantships if each placement is awarded at the stated rate of \$7.2 per award. It is not stated in the bill, it is assumed all placements would be at NMSU, an increase of 260 placements unless it is the intent of the bill that tuition and health insurance costs be added to the award amount cited above. Adding tuition and health insurance costs to the stipends would reduce the number of placements but still provide a number of placements, but still provide a number of placements much greater than the current placements.

OTHER SUBSTANTIVE ISSUES

A request was not included in New Mexico State's budget request to the New Mexico State's Board of Regents, and thus was not included in the list of priority projects submitted by New Mexico State to the Commission on Higher Education for review.

AMENDMENTS

The CHE suggests adding the following language for all new recurring higher education programs (assuming that funding will continue beyond 2003-2004):

“A plan for a program evaluation, including specific program goals and criteria for assessing program effectiveness, shall be submitted to the Legislative Finance Committee and the Commission on Higher Education by October 1, 2004. An assessment of the program will be completed prior to June 30, 2005, and submitted to the Legislative Finance Committee and the Commission on Higher Education.”

POSSIBLE QUESTIONS

1. What are graduate assistants or NMSU currently paying for health insurance?
2. How much is the tuition for a graduate assistant or scholarship recipient?
3. Is it intended that this bill supplement the \$7.2 thousand scholarship and/or graduate assistantship awards?
4. How was the cost of \$2,000.0 determined?
5. What is the break-down of the costs for scholarships and health insurance?
6. Would enacting this bill affect other universities? Why or Why not?
7. Should the appropriation in this bill be directed to the CHE?
8. How does this bill relate to other graduate assistantships awarded by NMSU